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New electricity schedule: Fairer rates for over 23.6m peninsular domestic consumers



The Malaysian Reserve, Malaysia

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MORE than 23.6 million domestic consumers in the Peninsula will enjoy fairer and more progressive electricity rates through the implementation of the new electricity tariff schedule.

This tariff will be effective from July 1, 2025, to Dec 31, 2027, under the Incentive-based Regulation (IBR) framework, in line with the provisions of Section 26 of the Electricity Supply Act 1990.

The electricity tariff changes for the Regulatory Period 4 (RP4) involve the restructuring of three components, namely the average base tariff rate; the new tariff schedule; and the fuel cost adjustment mechanism.

Adjustment of Average Basic Tariff Rates

The average basic tariff rate is adjusted based on the estimated cost of electricity supply for the RP4 period and is set at 45.40 sen/kilowatt-hour (kWh) compared to 45.62 sen/kWh approved in December 2024. With this adjustment, the average overall cost of electricity tariffs is reduced by up to 19% compared to the Third Regulatory Period (RP3).

Changes to Electricity Tariff Structure Include Consumer Categories, Charges and Incentives

The introduction of this new tariff schedule includes the following:

- (i) changes to consumer categories which are divided into domestic and non-domestic based on voltage usage, whether low, medium or high voltage; and
- (ii) the setting of each charge for energy, capacity, network and retail components based on related costs.

The Energy Efficiency Incentive will be introduced to 23.6 million domestic consumers who practise prudent electricity use. Through this incentive, domestic consumers with electricity consumption of 1,000kWh and below are expected to be unaffected by the implementation of the new tariff schedule.

Low voltage non-domestic consumers using 200kWh and below will also benefit from this incentive. In addition, the Time of Use (TOU) scheme has been streamlined and extended to longer off-peak periods, namely the entire Saturday and Sunday, and 10pm to 2pm from Monday to Friday.

This is to encourage more efficient management of consumption according to demand times, in line with efforts towards a more efficient and sustainable energy system. If users use off-peak hours, they can save on electricity bills compared to peak usage.

To ensure social and welfare aspects, the government has agreed that:

- (i) specific tariffs will be used for the agriculture, water and sewerage services and rail or traction operators categories;
- (ii) a 10% rebate will be provided to registered institutes of higher learning, schools, welfare homes and houses of worship; and
- (iii) the continuation of the RM40 Electricity Bill Rebate Programme, a monthly assistance of up to a maximum of RM40 given to Heads of Households (KIRs) with hardcore poor status and registered in the e-Kasih system under the Prime Minister's Department (JPM). Users can check their eligibility status on <https://semaikanrebat.petra.gov.my/apps/public/index.php> or visit the nearest electrical utility store.

Overall, this approach aims to promote energy efficiency initiatives and the use of renewable energy (RE) that provide mutual benefits through a more efficient and sustainable energy system.

Domestik			
Contoh bil semasa			Contoh bil akan datang
Kadar (sen/kWj)	Unit (kWj)	Jumlah (RM)	Caj
1 - 200kWj	0.218	150	32.70
201 - 300kWj	0.334	0	0.00
301 - 600kWj	0.516	0	0.00
601 - 900kWj	0.546	0	0.00
901 dan ke atas	0.571	0	0.00
	150	32.70	
ICPT	-0.02	150	-3.00
KWTBB	1.6%	0	-
SST	6%	0	-
Jumlah yang perlu dibayar			29.70

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- (i) the average base tariff rate;
- (ii) the new tariff schedule;
- (iii) the fuel cost adjustment mechanism.

Changes to electricity tariff structure include consumer categories, charges and incentives:

- (i) changes to consumer categories which are divided into domestic and non-domestic based on voltage usage, whether low, medium or high voltage; and
- (ii) the setting of each charge for energy, capacity, network and retail components based on related costs.

For this purpose, all consumers will receive electricity bills in a new, more detailed format (itemised billing).

Following the implementation of this new tariff schedule, the majority of consumers are expected to be unaffected. In fact, consumers who use energy efficiently will enjoy higher savings through the Energy Efficiency Incentive.

Reform of Cost Adjustment Mechanism

For the energy charge component, a new and more dynamic fuel cost adjustment mechanism, namely the Automatic Fuel Adjustment (AFA), will replace the Imbalance Cost Pass-through (ICPT) mechanism.

This mechanism allows for automatic generation cost adjustments based on current market fuel prices and foreign exchange rates. The information will be reported monthly on the Energy Commission (EC) website.

Implementation and Support Services for Consumers

The new tariff schedule will be effective from July 1, 2025, and will be adjusted in electricity bills starting from July 2025. Details of the new rates and categories (if applicable) can be checked through the following channels:

- The tariff schedule will be displayed on: <https://www.mytnb.com.my/tariff> starting from June 21, 2025, at 12pm;
- Estimate the cost of the monthly electricity bill in the future using the electricity tariff calculator which can be accessed as early as Monday, June 23, 2025, via <https://www.mytnb.com.my/tariff>.

Energy Commission's Commitment

As the energy regulatory body in Peninsular Malaysia, EC is committed to ensuring the implementation of tariffs based on fair, transparent and sustainable principles to meet the needs and balance the interests of all energy consumers. This comprehensive structuring and coordination is an important step in realising and strengthening the country's equitable and inclusive energy transition agenda.

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